

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF VERMONT

U.S. DISTRICT COURT
DISTRICT OF VERMONT
FILED

2015 OCT 15 AM 9:11

UNITED STATES OF AMERICA,

v.

RONALD RUP,

Defendant.

CLERK

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Crim. No.

1:15-cr-148

(18 U.S.C. § 1343)

INFORMATION

The United States Attorney charges:

1. At all times material to this information, the defendant RONALD RUP was employed by Agri-Mark, Inc. as Manager of IT Infrastructure. RUP typically worked out of Agri-Mark's office in Montpelier, Vermont.

2. Between 2012 and 2014, Agri-Mark was building a new headquarters building in Waitsfield. RUP was the employee responsible for purchasing IT network equipment to be used by Agri-Mark in the new facility.

3. As part of the scheme to defraud, RUP caused Agri-Mark to purchase more than 100 pieces of computer-related equipment which were not needed to support the headquarters building. Most of this unnecessary equipment consisted of network switches manufactured by Cisco. Some of these switches cost more than \$8500 each.

4. As part of the scheme to defraud, and unknown to Agri-Mark, RUP removed the unneeded switches from Agri-Mark's inventory and sold

them to a Texas company which specializes in buying and selling new and used IT networking equipment. The Texas company purchased the switches at a unit price that was approximately one-third the unit cost to Agri-Mark.

5. As part of the scheme to defraud, RUP had all the proceeds from the sales of the stolen switches deposited into a PayPal account he maintained in his own name. Between April 2012 and March 2014, the Texas company deposited more than \$475,000 into Rup's PayPal account.

6. Among other things, RUP used the money fraudulently obtained by selling Agri-Mark equipment to purchase snowmobiles, motorcycles, a pick-up truck, a Chevrolet Camaro and jewelry. He also used proceeds to make improvements to his residence in Fairfax.

7. As part of the scheme to defraud, RUP regularly used e-mail to communicate with representatives of the Texas company. The interstate wire communication system was also regularly used to cause electronic transfers of funds into RUP'S PayPal account.

COUNT 1

8, On numerous dates between April 2012 and March 2014, in the District of Vermont and elsewhere, the defendant RONALD RUP, having devised the above-described scheme and artifice to defraud Agri-Mark, Inc. and for obtaining money from Agri-Mark, Inc. by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme, sent and caused to be sent e-mail communications and electronic funds deposits between Vermont and Texas:

(18 U.S.C. § 1343)

FORFEITURE NOTICE

9. The allegations of this information are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

10. Upon conviction of the offense in violation of 18 U.S.C. § 1343, the defendant RONALD RUP shall forfeit to the United States, any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violation. The property to be forfeited includes, but is not limited to, the following:

(a) United States funds in the amount of \$1,000,000..

11. If any of the property described above, as a result of any act or omission of the defendant:

- 1) cannot be located upon the exercise of due diligence;
- 2) has been transferred or sold to, or deposited with, a third party;
- 3) has been placed beyond the jurisdiction of the court;
- 4) has been substantially diminished in value; or

5) has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c).

(18 U.S.C. § 982(a)(1)(C) & 28 U.S.C. § 2461(c))



ERIC S. MILLER (GLW)
United States Attorney

Burlington, Vermont
October ~~14~~¹⁵, 2015